federal register

WEDNESDAY, DECEMBER 21, 1977

PART IV

OFFICE OF MANAGEMENT AND BUDGET

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BUDGET RESCISSIONS AND DEFERRALS

International Security Assistance and Antirecession Financial Assistance Fund (Treasury Department)

OFFICE OF MANAGEMENT AND BUDGET

BUDGET RESCISSIONS AND DEFERRALS

International Security Assistance and Antirecession Financial Assistance Fund (Treasury Dept.)

To the Congress of the United States: In accordance with the Impoundment Control Act of 1974, I herewith report three new International security assistance deferrals totalling $806.4 million in budget authority and one new deferral of $3.4 million in outlays for the Antirecession financial assistance fund in the Department of the Treasury.

In addition, I am reporting routine revisions to four deferrals previously transmitted. A deferral for the Emergency refugee and migration assistance fund is increased by $5.8 million in budget authority. Three deferrals of funds provided to the Department of the Treasury are increased by a total of $13.3 million of which $11.9 million is deferred budget authority and $1.3 million is an increase to a deferral which only affects outlays.

The details of each deferral are contained in the attached reports.

THE WHITE HOUSE, *December 15, 1977.*

JIMMY CARTER.

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

Deferral No.	Item	Budget Authority
	Funds Appropriated to the President:	
D78-43A	Emergency refugee and migration assistance fund	7,800
	International Security Assistance	
D78-47	Military assistance	131,200
D78-48	International military education and training	2,000
D78-49	Foreign military credit sales	673,250
	Department of the Treasury:	
	Office of the Secretary	
D78-26B	Antirecession financial assistance fund	10,709
D78-50	Antirecession financial assistance fund	3,406 1/
D78-27B	State and local government fiscal assistance fund	81,732
D78-28A	State and local government fiscal assistance fund	1,711 1/
	Total, deferrals	911,808

1/ Outlays only.

SUMMARY OF SPECIAL MESSAGES
FOR FY 1978
(amounts in thousands of dollars)

	Rescissions	Deferrals
Fourth special message:		
New items	---	809,856
Changes to amounts previously submitted	---	19,051
Effect of the fourth special message	---	828,907
Previous special messages	2,668	2,416,367
Total amount proposed in special messages	2,668 (in 1 rescission proposal)	3,245,274 (in 50 deferrals)

NOTE: All amounts listed represent budget authority except for $5,117,000 consisting of two Department of the Treasury deferrals of outlays only (D78-50 and D78-28A).

D78-43A

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344.

This report revises Deferral No. D78-43 transmitted to the Congress on November 10, 1977, and printed as House Document 95-262.

This revision increases the amount of the deferral for the Emergency refugee and migration assistance fund from $2.0 million to $7.8 million. This increase of $5.8 million reflects the addition to the Fund of $10 million in 1978 appropriations provided in the Foreign Assistance and Related Programs Appropriations Act, 1978 (Public Law 94-148), raising the total of budgetary resources available in FY 1978 to $15 million, and the determination by the President to use $4.2 million in addition to the $3.0 million previously made available to assist Indochinese refugees.

Deferral No: D78-43A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Funds Appropriated to the President Bureau:	New budget authority (P.L. 95-148) $10,000,000* Other budgetary resources 5,000,000 Total budgetary resources 15,000,000*
Appropriation title & symbol Emergency Refugee and Migration Assistance Fund 1/ 11X0040	Amount to be deferred: Part of year $ 7,800,000* Entire year
OMB identification code: 11-0040-0-1-151 Grant program ☐ Yes ☒ No	Legal authority (in addition to sec. 1013): ☒ Antideficiency Act ☐ Other
Type of account or fund: ☐ Annual ☐ Multiple-year (expiration date) ☒ No-year	Type of budget authority: ☒ Appropriation ☐ Contract authority ☐ Other

Justification

Section 501(a) of the Foreign Relations Authorization Act, Fiscal Year 1976, Public Law 94-141, approved November 29, 1975, amended section 2(c) of the Refugee and Migration Assistance Act of 1962 (22 U.S.C. 2601) by authorizing a fund not to exceed $25 million to enable the President to provide emergency assistance for unexpected urgent refugee and migration needs.

By Executive Order No. 11922 of June 16, 1976, the President allocated all funds appropriated to him for the Emergency Fund to the Secretary of State but reserved to himself the determination of assistance to be furnished and the designation of refugees to be assisted by the Fund.

At the beginning of fiscal year 1978, a $5 million unobligated balance remained available in the Emergency Fund. The Foreign Assistance and Related Programs Appropriations Act, 1978 (Public Law 95-148), approved October 31, 1977, provided an additional $10 million for the Fund, bringing the budgetary resources available to $15 million. Of this amount, the President has approved the use of $7.2 million to assist Indochinese refugees. Consonant with the President's authority set out in Executive Order No. 11922 and to achieve the most economical use of appropriations (31 U.S.C. 665(c)(1)), the remaining

1/ This account was the subject of a similar deferral during FY 1977.
* Revised from previous report.

D78-43A

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$7.8 million in the Fund has been deferred. It is anticipated that reapportionments may be made case-by-case as the President determines assistance to be furnished and designates refugees to be assisted by the Fund.

Estimated Effects

None

Outlay Effect

No effect on outlays results from this deferral action.

Deferral No: D78-47

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Funds Appropriated to the President	New budget authority (P.L. 95-148) $220,000,000
Bureau: International Security Assistance	Other budgetary resources 135,900,000
Appropriation title & symbol: Military Assistance 1/ 117/81080 and 1181080	Total budgetary resources 355,900,000
	Amount to be deferred: Part of year $131,200,000 2/
	Entire year
OMB identification code: 11-1080-0-1-052 3/	Legal authority (in addition to sec. 1013): [x] Antideficiency Act
Grant program [x] Yes [ ] No	[ ] Other
Type of account or fund: [x] Annual	Type of budget authority: [x] Appropriation
[x] Multiple-year September 30, 1978 (expiration date)	[ ] Contract authority
[ ] No-year	[ ] Other

Justification

Pursuant to the Foreign Assistance Act of 1961, as amended, the President is authorized to furnish military assistance "...to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the U.S. and promote world peace..." The Foreign Assistance and Related Programs Appropriation Act, 1978 (Public Law 95-148) appropriated $220,000,000 for this purpose.

In 1974, the Congress enacted Section 620(x) of the Foreign Assistance Act of 1961, as amended, which suspends all military assistance to the Government of Turkey "...until the President determines and certifies to the Congress that substantial progress toward agreement has been made regarding military forces in Cyprus..." The amount previously planned for Turkey in FY 1978, $48 million, has been deferred pending the relevant Presidential certification regarding Cyprus or enactment of legislation by Congress

1/ This account was the subject of a similar deferral during FY 1977.
2/ On November 11, 1977, funds totalling $242,900,000 in the military assistance annual account (1181080) were withheld. This amount was reduced to $48,000,000 on November 18, 1977. Since the amount deferred in the multiple year account (117/81080) is $83,200,000, military assistance funds presently deferred total $131,200,000.
3/ The OMB identification code that will appear in the FY 1979 budget is 11-1080-0-1-152.

D78-47

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removing the Presidential certification requirements. In addition, budget authority totalling $43 million to be used to fund the first-year levels of Defense Cooperation Agreements with Greece and Turkey has been deferred pending enactment by Congress of legislation approving these agreements. The remaining $40.2 million deferred is excess to current programmatic needs. Disposition of these funds is being considered as part of a review of future program needs.

Estimate Effects

This deferral will have no programmatic or budgetary impact.

Outlay Effect

There is no outlay effect resulting from this deferral.

Deferral No: D78-48

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency Funds Appropriated to the President	New budget authority (P.L. 95-148) $30,000,000
Bureau International Security Assistance	Other budgetary resources 4,600,000
Appropriation title & symbol International Military Education and Training 1181081 and 117/81081	Total budgetary resources 34,600,000
	Amount to be deferred: Part of year $ 2,000,000 Entire year
OMB identification code: 11-1081-0-1-052 1/	Legal authority (in addition to sec. 1013): [X] Antideficiency Act [ ] Other
Grant program [X] Yes [ ] No	
Type of account or fund: [X] Annual 2/ [ ] Multiple-year September 30, 1978 (expiration date) [ ] No-year	Type of budget authority: [X] Appropriation [ ] Contract authority [ ] Other

JUSTIFICATION

Pursuant to the Foreign Assistance Act of 1961, as amended, the President is authorized to furnish military education and training to military and related civilian personnel of foreign countries to "...encourage effective and mutually beneficial relations and increased understanding between the U.S. and foreign countries..." and to "...improve the ability of participating foreign countries to utilize their resources including defense articles and services obtained from the U.S., with maximum effectiveness..." The Foreign Assistance and Related Programs Appropriations Act, 1978 (P.L. 95-148) appropriated $30,000,000 for these purposes.

In 1974, the Congress enacted Section 620(x) of the Foreign Assistance Act of 1961, as amended, which suspends all military assistance to the Government of Turkey "...until the President determines and certifies to the Congress that substantial progress toward agreement has been made regarding military forces in Cyprus..." The amount planned for Turkey in FY 1978, $2,000,000, has been deferred pending the relevant Presidential certification regarding Cyprus or enactment of legislation by Congress removing the Presidential certification requirement.

Estimated Effects

This deferral will have no programmatic or budgetary impact.

1/ The OMB identification code that will appear in the FY 1979 budget is 11-1081-0-1-152.
2/ The amount being deferred is from the annual account.

Outlay Effect

There is no outlay effect resulting from this deferral.

Deferral No: D78-49

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency Funds Appropriated to the President	New budget authority (P.L. 95-148) $ 675,850,000
Bureau International Security Assistance	Other budgetary resources ---
Appropriation title & symbol	Total budgetary resources 675,850,000
Foreign Military Credit Sales, 1978 1/ 1181082	Amount to be deferred: Part of year $ 673,250,000
	Entire year
OMB identification code: 11-1082-0-1-052	Legal authority (in addition to sec. 1013): ☐ Antideficiency Act
Grant program ☐ Yes ☒ No	☐ Other
Type of account or fund: ☒ Annual	Type of budget authority: ☒ Appropriation
☐ Multiple-year (expiration date)	☐ Contract authority
☐ No-year	☐ Other

JUSTIFICATION

Pursuant to the Arms Export Control Act, the President is authorized to sell or finance by credit or guaranties defense articles and defense services for friendly countries to facilitate the common defense. The Foreign Assistance and Related Programs Appropriations Act, 1978 (Public Law 94-148) appropriated $675,850,000 for fiscal year 1978 to enable the President to carryout those authorities. Under section 2 of the Arms Export Control Act, the Secretary of State, under the direction of the President, is responsible for continuous supervision and general direction of sales made under the Act, including determining whether there shall be a sale to a country and the amount thereof. Executive Order 11958 of January 18, 1977, delegated certain of the President's functions under the Arms Export Control Act to the Secretaries of State and Defense. Executive Order 11958 further requires the Secretary of State to obtain the prior concurrence of the Secretaries of Defense and the Treasury, respectively, regarding standards and criteria for credit and guaranty transactions that are based upon national security and financial policies.

1/ This account was the subject of a similar deferral during FY 1977.

As in the past, these funds have been deferred pending approval of specific loans to eligible countries by the Departments of State, Defense and the Treasury. Consultation among these Departments will ensure that each approved program is consistent with the foreign, national security and financial policies of the United States.

ESTIMATED EFFECT

This deferral will have no programmatic or budgetary impact and is not restrictive in nature.

OUTLAY EFFECT

There is no outlay effect of this deferral because funds will be released as loans are approved.

D78-26B

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344.

This report revises Deferral No. D78-26A transmitted to the Congress on November 10, 1977, and printed as House Document 95-262.

This revision of a deferral for the Antirecession financial assistance fund in the Office of the Secretary of the Treasury increases the previously reported deferral from $10,609,000 to $10,709,000. This increase of $100,000 results from waivers by various recipient jurisdictions of their grants.

Deferral No: D78-26B

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of the Treasury	New budget authority (P.L. 95-119) $1,400,000,000
Bureau: Office of the Secretary	Other budgetary resources 83,063,000
Appropriation title & symbol: Antirecession Financial Assistance Fund 1/ 2/ 207/80108 208/90108	Total budgetary resources 1,483,063,000
	Amount to be deferred: Part of year $ 8,463,000
	Entire year 2,246,000*
OMB identification code: 20-0108-0-1-852	Legal authority (in addition to sec. 1013): [x] Antideficiency Act
Grant program: [x] Yes [ ] No	[x] Other P.L. 95-369, P.L. 95-30
Type of account or fund: [ ] Annual [x] Multiple-year September 30, 1978 3/ September 30, 1979 (expiration date) [ ] No-year	Type of budget authority: [x] Appropriation [ ] Contract authority [ ] Other

Justification *

This deferral represents that remaining portion of the transition quarter and FY 1977 appropriation, and a portion of the FY 1978 appropriation which the Secretary of the Treasury must hold in reserve to meet valid claims from State and local governments that past antirecession financial assistance payments to them were too small. Because the total amount appropriated for all governments is fixed, the alternative to such a reserve is recurring recomputations of entitlements of 22,930 governments for prior entitlement periods. Accordingly, the Office of Revenue Sharing has withheld from obligation an amount equal to one-half of one percent of the amounts appropriated for the transition quarter, FY 1977, and the first quarter of FY 1978.

This cumulative unobligated reserve is available to the Secretary of the Treasury to satisfy legitimate claims against the fund for prior entitlement periods. After adjusting for such releases from the reserve, the amount now deferred is $10.7 million. The unobligated amount retained in the fund will be further reduced whenever the Secretary determines that a lesser amount is adequate to meet foreseeable liabilities against the fund. This reduction will be made by paying the additional amount to recipients as part of a regular distribution of the program.

1/ This account was the subject of a similar deferral during FY 1977.
2/ This account is the subject of another deferral, D78-50.
3/ The availability of the $8,463,000 deferred for part of the year ends on this date. These funds will be made available in enough time to permit orderly obligation before their availability ends.
Revised from previous report.

D78-26B

Estimated Effects

This action will postpone distribution of the amount of the reserve until necessary adjustments and corrections have been identified. It will also avoid substantial confusion and complexities in the administration of the program.

*Outlay Effect (estimated in millions of dollars)

Comparison with President's FY 1978 Budget:

1. Budget outlay estimate for FY 1978	$1,550.0
2. Outlay savings, if any, included in the budget outlay estimate	-0-

Current Outlay Estimates for FY 1978:

3. Without deferral	1,578.0
4. With deferral	1,575.8
5. Current outlay savings (line 3 - line 4)	+2.2

Outlay savings for FY 1979	-2.2
Outlay savings for FY 1980	-0-

*Revised from previous report.

Deferral No: D78-50

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of the Treasury	New budget authority (P.L. 95-119) $1,400,000,000
Bureau: Office of the Secretary	Other budgetary resources 83,063,000
Appropriation title & symbol: Antirecession Financial 1/ Assistance Fund 207/80108 208/90108	Total budgetary resources 1,483,063,000
	Amount to be deferred: Part of year 2/$ 3,406,000
	Entire year
OMB identification code: 20-0108-0-1-852	Legal authority (in addition to sec. 1013): [x] Antideficiency Act
Grant program: [x] Yes [ ] No	[x] Other P.L. 94-369, P.L. 95-30
Type of account or fund: [ ] Annual; [x] Multiple-year September 30, 1978 September 30, 1979 (expiration date); [ ] No-year	Type of budget authority: [x] Appropriation; [ ] Contract authority; [ ] Other

Justification

The Antirecession Financial Assistance Fund provides for federal economic assistance to State and local governments to help prevent those governments from taking budget related actions which are injurious to national economic health. Scheduled payments are made on a quarterly basis. This deferral represents payments which have been withheld from various governments for reasons of noncompliance with the requirements of the Public Works Employment Act of 1976 (P.L. 94-369).

Estimated Effects

The release of these funds is contingent upon the various governments' compliance with the law by submitting required forms and reports.

Outlay Effect

There is no outlay effect of this deferral. The funds will be made available this fiscal year.

1/ This account is the subject of another deferral, D78-26B.
2/ Outlays only.

D78-27B

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344.

This report revises Deferral No. D78-27A transmitted to the Congress on November 10, 1977, and printed as House Document 95-262.

This revision of a deferral for the State and local government fiscal assistance trust fund in the Office of the Secretary of the Treasury increases the previously reported deferral from $69,901,000 to $81,732,000. This increase of $11,831,000 is the result of technical adjustments in the deferral.

Deferral No: D78-27B

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of the Treasury	New budget authority (P.L. 95-119) $ 6,854,924,000
Bureau: Office of the Secretary	Other budgetary resources 47,482,000*
Appropriation title & symbol: State and Local Government Fiscal Assistance Trust Fund 1/ 2/ 20X8111	Total budgetary resources 6,902,406,000*
	Amount to be deferred: Part of year $ 10,550,000
	Entire year 71,182,000*
CFDA identification code: 20-8111-0-7-851	Legal authority (in addition to sec. 1013): [X] Antideficiency Act
Grant program: [X] Yes [ ] No	[X] Other P.L. 92-512, P.L. 94-488 (Section 6)
Type of account or fund: [ ] Annual [ ] Multiple-year ____ (expiration date) [X] No-year	Type of budget authority: [X] Appropriation [ ] Contract authority [ ] Other ____

Justification *

The Secretary of the Treasury must hold in reserve an amount to meet valid claims from State and local governments that past general revenue sharing payments to them were too small. Because the total amount appropriated for all governments is fixed, the alternative to such a reserve is recurring recomputations of entitlements of 39,170 governments for prior entitlement periods. Accordingly, the Office of Revenue Sharing withheld from obligation an amount equal to one-half of one percent of the amounts appropriated for each entitlement period through FY 1975. In addition, one-half of one percent of the $4,991 million appropriated for general revenue sharing in the Economic Stimulus Appropriations Act, 1977 (Public Law 95-29), and the $6,855 million in regular FY 1978 appropriations for general revenue sharing in Public Law 95-119 were also withheld from obligation.

This cumulative unobligated reserve is available to the Secretary of the Treasury to satisfy legitimate claims against the Trust Fund for prior entitlement periods. After adjusting for such releases from the reserve, the amount now deferred is $81.7 million. The unobligated amount of $81.7 million retained in the Trust Fund will be further reduced whenever the Secretary determines the amount is adequate to meet foreseeable liabilities against the Trust Fund. The reduction will be made by paying the additional amount to recipients as part of a regular distribution.

1/ This account is the subject of another deferral, D78-28A.
2/ This account was the subject of a similar deferral during FY 1977.
* Revised from previous report.

Estimated Effects

This action will postpone distribution of the amount of the reserve until necessary adjustments and corrections have been identified. It will also avoid substantial confusion and complexities in the administration of the program.

*Outlay Effect (estimated in millions of dollars)

Comparison with President's FY 1978 Budget:

1. Budget outlay estimate for FY 1978	$6,813.9
2. Outlay savings, if any, included in the budget outlay estimate	-0-

Current Outlay Estimates for FY 1978:

3. Without deferral	6,883.6
4. With deferral	6,812.4
5. Current outlay savings (line 3 - line 4)	+71.2
Outlay savings for FY 1979	-35.6
Outlay savings for FY 1980	-35.6

* Revised from previous report.

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of Public Law 93-344.

This report revises Deferral No. D78-28 transmitted to the Congress on November 10, 1977, and printed as House Document 95-262.

This revision of a deferral for the State and local government fiscal assistance trust fund in the Office of the Secretary of the Treasury increases the previously reported deferral from $391,000 to $1,711,000. This increase of $1,320,000 results from annexations and disincorporations which require that the funds be redistributed to higher level jurisdictions.

Deferral No: D78-28A

DEFERRAL OF BUDGET AUTHORITY

Report Pursuant to Section 1013 of P.L. 93-344

Agency: Department of the Treasury	New budget authority (P.L. 95-119) $6,854,924,000*
Bureau: Office of the Secretary	Other budgetary resources 47,482,000*
Appropriation title & symbol: State and Local Government Fiscal Assistance Trust Fund 1/ 2/ 20X8111	Total budgetary resources 6,902,406,000*
	Amount to be deferred: Part of year 3/ $ 1,711,000*
	Entire year
OMB identification code: 20-8111-0-7-851	Legal authority (in addition to sec. 1013): [x] Antideficiency Act
Grant program [x] Yes [ ] No	[x] Other P.L. 92-512, Sections 121 and 123; P.L. 94-488
Type of account or fund: [ ] Annual	Type of budget authority: [x] Appropriation
[ ] Multiple-year ____ (expiration date)	[ ] Contract authority
[x] No-year	[ ] Other ____

Justification

The State and Local Government Fiscal Assistance Trust Fund is the vehicle for disbursement of general revenue sharing funds. Scheduled payments to State and local governments are made on a quarterly basis. This deferral represents payments which have been withheld from various governments involved in annexations or disincorporations and for reasons of noncompliance with the requirements of the State and Local Fiscal Assistance Act, as amended.

Estimated Effect

The release of these funds is contingent upon adherence by the various governments to the compliance regulations, and determinations as to which higher level of government is eligible to receive those funds withheld because of annexations and disincorporations.

Outlay Effect

There is no outlay effect of this deferral. The funds will be made available this fiscal year.

1/ This account is the subject of another deferral, D78-27B.
2/ This account was the subject of a similar deferral during FY 1977.
3/ Outlays only.
* Revised from previous report.

[FR Doc.77-36344 Filed 12-16-77;2:06 pm]

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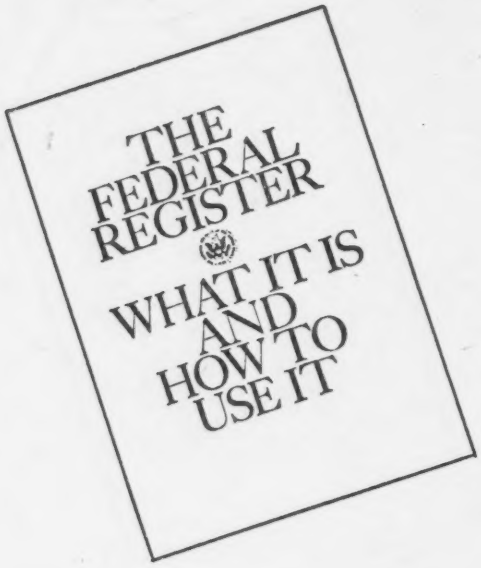

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